

## Message Text

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ACTION STR-02

INFO OCT-01 EUR-08 EA-06 IO-04 ISO-00 INRE-00 EB-04 SSO-00

NSCE-00 USIE-00 PA-01 PRS-01 CIAE-00 INR-05 NSAE-00

RSC-01 L-01 AGR-05 FEA-01 SP-02 AID-05 NSC-05 CIEP-01

TRSE-00 SS-20 OMB-01 CEA-01 COME-00 DRC-01 /076 W

----- 097214

O R 111855Z OCT 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC IMMEDIATE 5614

INFO AMEMBASSY LONDON IMMEDIATE

AMEMBASSY TOKYO IMMEDIATE

AMEMBASSY THE HAGUE

AMEMBASSY DUBLIN

AMEMBASSY COPENHAGEN

AMEMBASSY BRUSSELS

AMEMBASSY PARIS

AMEMBASSY LUXEMBOURG

AMEMBASSY ROME

USMISSION GENEVA

USMISSION OECD PARIS

C O N F I D E N T I A L SECTION 01 OF 02 BONN 16154

E.O. 11652: GDS

TAGS: PFOR, EGEN, ETRD, EFIN, EEC, US, GW,

OVIP (EBERLE, WILLIAM D.)

SUBJECT: VISIT OF AMBASSADOR EBERLE

1. SUMMARY: AMBASSADOR EBERLE AND PARTY EXPLAINED  
PRESIDENT'S PROGRAM TO CHANCELLOR SCHMIDT, FOREIGN  
MINISTER GENSCHER, ECONOMICS MINISTRY STATE SECRETARY  
SCHLECHT, FINANCE MINISTRY STATE SECRETARY POEHL AND  
SENIOR MINISTRY REPRESENTATIVES ON OCTOBER 10.  
SESSION OF AMBASSADOR EBERLE WITH CHANCELLOR EXTENDED  
BEYOND SCHEDULED HALF HOUR TO ALMOST TWO HOURS. ALL  
EXPRESSED APPRECIATION FOR OPPORTUNITY FOR FACE-TO-  
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FACE DISCUSSION OF PROGRAM. AMBASSADOR EBERLE WAS

ABLE TO DEAL WITH CONCERNS RELATING TO ADEQUACY OF AGRICULTURAL SUPPLIES, ABILITY TO REDUCE PETROLEUM CONSUMPTION BY VOLUNTARY MEANS, AND THE DELICATE BALANCE BETWEEN DEALING WITH INFLATION AND AVOIDING RECESSION. END SUMMARY.

2. AMBASSADOR EBERLE AND PARTY HAD INTENSIVE AND USEFUL MEETINGS AFTERNOON OF OCTOBER 10 WITH CHANCELLOR, FOREIGN MINISTER AND STATE SECRETARIES IN ECONOMICS AND FINANCE MINISTRIES. OWING TO EXTENDED VISIT (ALMOST TWO HOURS) WITH CHANCELLOR, AMBASSADOR EBERLE DID NOT GET TO MEETING WITH STATE SECRETARY POEHL IN FINANCE MINISTRY. FINANCE MINISTER WAS, HOWEVER, BRIEFED BY SEEVERS, CROSS AND BOEKER. ECONOMICS MINISTER FRIDERICH'S WAS DETAINED IN MEETING WITH SOAMES AND GUNDELACH BUT THERE WAS LIVELY MEETING WITH STATE SECRETARY SCHLECHT AND SENIOR ECONOMICS MINISTRY OFFICIALS. WORKING DINNER IN EVENING GAVE FURTHER OPPORTUNITY FOR SEPARATE CONVERSATIONS BETWEEN PARTY AND GERMAN OFFICIALS.

3. CHANCELLOR AND OTHERS WITH WHOM AMBASSADOR EBERLE AND GROUP MET WERE MOST APPRECIATIVE OF OPPORTUNITY FOR FACE-TO-FACE DISCUSSION OF PRESIDENT'S PROGRAM. ALL EXPRESSED THE HOPE THAT PRACTICE OF CLOSE CONSULTATION COULD BE CONTINUED IN PRESENT WORLD SITUATION. FOREIGN MINISTER GENSCHER SAW CONTINUATION OF GLOBAL INFLATION AS AN IMMEDIATE DANGER TO WORLDWIDE POLITICAL STABILITY. HE SAID THAT DURING VISIT TO JAPAN, FROM WHICH HE HAD JUST RETURNED. HE WAS IMPRESSED BY INCREASING JAPANESE AWARENESS OF NEED FOR CLOSE CONSULTATION AMONG INDUSTRIALIZED NATIONS. HE CONSIDERED THIS A BENEFICIAL EFFECT OF INCLUSION OF JAPAN IN THE WASHINGTON MEETING OF FIVE. ALL WITH WHOM THE WASHINGTON GROUP SPOKE FOUND PARALLEL US AND GERMAN PROBLEMS OF HOW TO DEAL WITH INFLATION IN A PERIOD OF RISING UNEMPLOYMENT. GENSCHER SAID IT WAS CLEAR THAT US

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TRSE-00 SS-20 OMB-01 CEA-01 COME-00 DRC-01 /076 W

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FM AMEMBASSY BONN

TO SECSTATE WASHDC IMMEDIATE 5615

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C O N F I D E N T I A L SECTION 02 OF 02 BONN 16154

UNDERSTOOD THE DANGER OF AVOIDING RECESSION WHILE  
WE FIGHT INFLATION.

4. ANOTHER THEME THAT DOMINATED ALL THE CONVERSATIONS  
WAS THE ADEQUACY OF US GRAIN SUPPLIES. AMBASSADOR  
EBERLE AND HIS PARTY WERE ABLE TO PUT IN PERSPECTIVE  
RECENT ACTIONS ON SOVIET GRAIN PURCHASES. MOST  
INTERLOCUTORS ALSO RAISED QUESTION AS TO WHETHER  
PETROLEUM CONSUMPTION COULD BE REALISTICALLY REDUCED  
TO THE DESIRED DEGREE THROUGH VOLUNTARY MEASURES.  
AMBASSADOR EBERLE WAS ABLE TO EXPLAIN TO THEM  
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CONFIDENCE THAT THE ADMINISTRATION FEELS THAT THIS  
CAN BE DONE.

5. STATE SECRETARY SCHLECHT WAS OF THE OPINION THAT THE PRESIDENT'S PROGRAM WAS WELL BALANCED IN SPITE OF THE NATURAL RESERVATIONS OF SOME OF THE GERMAN PRESS AND SOME AMERICAN POLITICAL LEADERS. HE STRESSED THE IMPORTANCE OF THE PSYCHOLOGICAL FACTORS WHICH THE PROGRAM TOOK INTO CONSIDERATION. BOTH SCHLECHT AND POEHL SEPARATELY DISPLAYED AN INTEREST IN MONETARY POLICIES OF THE FEDERAL RESERVE. POEHL STRESSED THAT GERMANY HAD A PROBLEM OF BEING AHEAD OF OTHERS IN THE BUSINESS CYCLE, AND WOULD HAVE DIFFICULTY LOWERING INTEREST RATES (WHICH SOON MIGHT BECOME DESIRABLE FROM DOMESTIC VIEWPOINT) WITHOUT CAUSING LARGE MONEY OUTFLOWS.

6. IN HIS LENGTHY MEETING WITH THE CHANCELLOR, SCHMIDT EXPRESSED HIS APPRECIATION FOR AN OPPORTUNITY TO GO OVER THE PRESIDENT'S PROGRAM AND TO EXPLAIN GERMAN POLICY WITH A REPRESENTATIVE OF THE PRESIDENT. THE CHANCELLOR SAW A CONTINUING NEED IN WHAT HE SEES AS A DIFFICULT PERIOD AHEAD FOR MAJOR INDUSTRIAL NATIONS FOR SENIOR OFFICIALS TO KEEP IN CLOSE CONTACT AND TO CONSULT CLOSELY.  
HILLENBRAND

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Concepts:** PRESIDENTIAL MISSIONS, ECONOMIC PROGRAMS, MINISTERIAL MEETINGS  
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**Draft Date:** 11 OCT 1974  
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**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Disposition History:** n/a  
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30 JUN 2005

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**Review Transfer Date:**  
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**Status:** NATIVE  
**Subject:** VISIT OF AMBASSADOR EBERLE  
**TAGS:** PFOR, EGEN, ETRD, EFIN, US, GE, EEC, (EBERLE, WILLIAM D)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005